

**APPENDIX 3**  
**MARAD letter on Kittiwake hold status**



U.S. Department  
of Transportation  
**MARITIME  
ADMINISTRATION**

1200 New Jersey Ave, S.E.  
Washington, D.C. 20590

August 15, 2008

Ms. Nancy Easterbrook  
Cayman Islands Tourism Association  
Kittiwake Project Manager  
PO Box 31086 SMB  
73 Lawrence Boulevard, Islander Complex  
Grand Cayman, Cayman Islands, B.W.I.

Re: Cayman Island Reefing Project

Dear Ms. Easterbrook:

In our June 6, 2008 letter we reminded you of the deficient project submittals necessary to complete the title transfer of the vessel. These included: *(1) The issuance by the Environmental Protection Agency (EPA) of a letter of acceptance that the vessel cleaning plan is acceptable, meets all applicable legal requirements and the Artificial Reefing Best Management Practices, and that confirms that the vessel can be exported upon successful execution of the vessel cleaning plan, and (2) Submittal of the complete and final reefing application to the Maritime Administration that includes all EPA required updates and revisions.* We also requested *"comments from the Cayman Island Government regarding the Certificate of Transfer Agreement and a realistic schedule for completion and submittal of the reefing application, the required review of the vessel cleaning plan and acceptance by the USEPA and the completion and execution of the Certificate of Transfer Agreement."* Since our letter we have received only two communications regarding the project the first one dated July 9, 2008, from you stating we could expect to receive the requested submittals in one to two weeks at the most and the second one, from Mr. Samuel Rose of the Ministry of Tourism indicating the Kittiwake reefing project was formally presented to the Cayman Islands Cabinet Ministers and requested their approval for the Ministry of Tourism to enter into direct negotiations with the Maritime Administration to complete the Transfer Certificate for the Kittiwake. At this time, we have not received any of these required submittals and we are still waiting comments on the Certificate of Transfer Agreement.

We remind you that in our letter we indicated we could not hold the vessel for another six months beyond the July 1, 2008 date and that a month and a half has elapsed since that date with no further progress towards the vessels removal from the James River Reserve Fleet. The vessel continues to move up in priority and is currently number four in line for disposal. Further, steel recycling market conditions have resulted in the sale for recycling of 12 of the last 16 ships placed for disposal in sales solicitations. It is becoming more

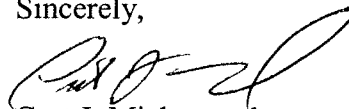
and more difficult to justify holding the vessel when there is no definitive schedule for its removal and market conditions indicate we could sell the vessel for recycling.

Once again we would like for this project to succeed but not if it means holding the vessel well beyond the end of the year without some definitive progress for its removal from the fleet.

If by December 31, 2008 the vessel has not departed the fleet in the custody of the Cayman Islands, the Maritime Administration may elect to cancel the KITTIWAKE reefing application and place the vessel for disposal.

Please contact Ms. Zoe Goss, Artificial Reefing Coordinator, with any questions and submittals. She can be reached at 202-366-0270 or via e-mail at [zoe.goss@dot.gov](mailto:zoe.goss@dot.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt J. Michanczyk', with a stylized flourish at the end.

Curt J. Michanczyk  
Program Manager  
Ship Disposal Program